

**FISHER ISLAND MUNICIPAL ADVISORY COMMITTEE
COMMITTEE MEETING**

UNAPPROVED MINUTES FOR
WEDNESDAY, MARCH 1, 2006

FISHER ISLAND TENNIS CENTER

1. Call to Order

With MAC Chair, Ira Ostrow presiding, the March 1, 2006 Fisher Island MAC meeting was called to order at 6:00 PM.

2. Role Call

Present were the following:

Robert Vole

Ira Ostrow

Javier Acosta

Jorge Garcia

Absent: Michael Pearce and Carolyn Sakolsky

Mr. Ostrow acknowledged the presence of Mr. Philip Gonot, Vice President, PMG Associates, Inc.

3. Approval of Minutes

The minutes of the meetings of 11/9/05 and 11/30/05 were approved. The minutes of the 2/1/06 meeting were distributed and will be approved at the next meeting.

4. General Discussion - MAC Budget Review

Mr. Ostrow informs that he may have to leave before the meeting is over and turns the meeting over to Mr. Garcia who will chair the rest of the meeting.

Mr. Garcia introduces Mr. Gonot of PMG Associates.

Mr. Gonot informs the MAC that PMG Associates has been engaged to be a third party representative in all the incorporations in Miami-Dade County. Their job is to review the work done by the MAC and by the County and they will come up with recommendations.

Mr. Gonot provides brief background information on the firm. They have been in business since 1994. They have been involved with various annexations and

incorporations throughout the State of Florida. They understand the process. The reason they came in for the county is because they have the experience and they have no conflicts with any other municipalities in Miami-Dade County. He holds a Bachelors degree in business administration and economics, an MBA in finance and a Masters in accounting.

Mr. Gonot informs that as the third party they will look at everything that happened before and make some recommendations in terms of that particular first step. They will make sure that the information is provided both to the MAC and the County Commission. They will serve as the extra set of eyes. Mr. Gonot states he wants to make very clear that they are not the advocates for the county or the MAC. They are arbitrators that come in and look at everything.

Mr. Gonot states that one of the issues that he is most concerned about in this case is the population figures. Usually what is given is the permanent population based on the census. Based on this he feels that a lot of the work done before will be modified. They generate the budget on a line by line, department by department basis. It is done in functional operating units. They agree that the municipality should be contract based. Revenues are set pretty much by law. They assume that the taxes will stay at generally what they are now.

Mr. Ostrow asks Mr. Gonot what constitutes permanent residency, because Fisher Island is more than just voters. Everyone that owns a unit pays taxes.

Mr. Ganot explains that everyone pays ad valorem tax, which is revenue. The other set of taxes is franchise fees and utility taxes. This tax is on all services. That tax is based on population. Someone who lives elsewhere and comes for winter is not a permanent population. But for projection purposes that has to be adjusted to a full time equivalent population. Seasonal people if they are only here three months a year would be one quarter of that group.

Mr. Ostrow feels this is confusing. If someone is here three months or a year the ad valorem tax does not change regardless.

Mr. Ganot explains that is why he said there are two facets of the taxes. One does not change but the other does.

Ms. Sakolsky explains that even when people are not here they still have services that continuously run.

Mr. Ganot states that there is a model that the county used to estimate the revenue the municipality generates. They reviewed that model and it operates on permanent

population. He has informed the county that their model is inaccurate for Fisher Island because if you only count permanent population you are under estimating revenues. He will readjust that to show the true population and revenue. He feels the initial calculation is too low.

Again, Mr. Gonot explains that communication, franchise, utility tax etc is not an insignificant amount of money.

Ms. Sakolsky asks if the MAC can help. Mr. Gonot informs he will request feedback as needed. Gonot explains that he did recognize an error in the existing model as related to Fisher Island. Ms. Sakolsky explains that even when the residents are not living in their units they do have full time help that live there.

Mr. Ostrow asks Mr. Gonot to share with the MAC the formula they come up with before they apply them. Mr. Gonot responds that his job is to make sure that they MAC and the county have the best information they can in making their decisions.

The MAC members offer their assistance in any way possible.

Mr. Ostrow feels everyone who owns property on the Island pays as much as anyone who lives there for the entire year even if they live there for one week of the year. Mr. Ostrow feels a fair shake is mandatory for everyone.

Mr. Gonot agrees. The firm will look at all revenue and expenses and make appropriate recommendations. He feels that sometimes it is best to contract out work.

Ms. Sakolsky explains to Mr. Gonot about maintaining privacy and how the tax dollars are used.

Mr. Gonot explains that they will take those issues into consideration. He informs that they will also need a comprehensive plan.

Mr. Vole explains that they have worked out issues like the public works and police issues and things that will be off island.

Mr. Ostrow asks if there's any reason they can't house a city manager on Miami Beach instead of on FI. Mr. Gonot replies that there is no reason why you can't have any of those services off island as long as you own it, lease it or pay for it. There is also an interlocal agreement, which means you can have an agreement with Miami Beach to do that.

Ms. Sakolsky says that they were told that they have to have a public area within their boundaries to incorporate. Mr. Gonot responds that these are legal issues set by the county and beyond the scope of what he does.

Mr. Acosta wants to know if the cost for the services of PMG Associates will be passed on to the municipality.

Jason Rodriguez explains that the resolution states that the municipality does incorporate the cost will be passed on to the new municipality. Mr. Acosta would like the contract made available for MAC records.

Mr. Ostrow asks Mr. Gonot if he is pro incorporation as a general attitude. Mr. Gonot replies that he is pro incorporation when the numbers work. Mr. Ostrow asks if he has a copy of the MAC's budget plan. He replies yes.

Mr. Gonot says that they will contact the MAC for any information needed from them.

Mr. Garcia asks when PMG's process begins. Mr. Gonot explains that the process starts once the county gives them notice to proceed.

Mr. Vole wants to know if Mr. Gonot can email them directly so they can be prepared for meetings. Mr. Gonot says that contractually he has to provide information to the County first.

Mr. Ostrow feels the MAC deserves the opportunity to understand what PMG thinks about the budget before going to the county. Mr. Gonot states that they will meet with MAC regarding the budget during the process.

Mr. Rodriguez feels that is the purpose why Mr. Gonot is here tonight. He explains that the resolution that created the need for PMG also states that the information be available for everyone at public hearing. This will be an ongoing and developing relationship.

Mr. Rodriguez asks Mr. Gonot what the next step will be. Mr. Gonot explains that his next step is to work on the formula for the model that will be used to determine the population. He feels that is the biggest problem. Taxes are not a big problem. He feels that the monies from the franchise taxes should not be discounted. Mr. Gonot explains that his job is to comment on all issues.

Mr. Ostrow feels the only fair way for Mr. Gonot to review and make decisions on the island is to have a couple of MAC members working with him. Mr. Gonot explains that he needs to start with the revenue issue first and then move on. He

explains that he would rather have a discussion with MAC as needed and be ready prior to going before the commission.

Mr. Vole asks how long the process usually takes. Mr. Gonot responds that they would like to have a preliminary by end of month but it depends how things move along.

5. Discussion on Additional Items Related to Incorporation Study

Mr. Garcia asks if anyone has something to add.

Mr. Rodriguez directs everyone's attention to the list of folios of plats that are under Miami Beach jurisdiction but within the unincorporated area.

Mr. Rodriguez explains that this is in response to the request at the last meeting as referred to by the Public Works representative.

Mr. Vole explains that the reason for wanting these folios was to clarify how many lots were involved.

Mr. Rodriguez reminds everyone that these lots are excluded from the municipality boundaries. Mr. Rodriguez says that Mr. Connor from Public Works said that in the future Miami Beach can decide to have jurisdictional rights on those lots.

Mr. Garcia wants to know if they don't own those lots how can they have jurisdiction. Mr. Garcia feels that there should be a meeting with someone from the property appraisers office to get a clear understanding on jurisdictional rights.

Mr. Ostrow asks how this should be shown in the boundaries. Mr. Garcia says that simply you exclude the lots from the boundaries. He feels that these are issues that should be deferred till after incorporation.

Mr. Rodriguez informs that the second issue is an issue regarding mitigation and a moratorium on future incorporations. There is a bill in the Florida legislature that is considering whether or not counties can impose a mitigation as a result of incorporation. The county commissioners placed a moratorium on further incorporations until they know the resolution of this bill. This currently does not affect the Fisher Island MAC. The study of the MAC will continue and when legislation is done the county will decide what to do.

Mr. Ostrow wants to know if the MAC is grandfathered in or not.

Mr. Rodriguez explains they just can't go before the commission until moratorium is lifted.

Mr. Garcia feels the county is doing this because the mitigation is discriminatory.

Mr. Ostrow feels that the moratorium is being discriminatory.

Mr. Garcia feels that there is nothing to do but continue the study and stand in line.

Mr. Rodriguez informs that the MAC is now operating under an ordinance not resolution. So the MAC does not have sunset until they are ready.

6. Next Meeting of the Fisher Island MAC

After discussing availability among members the next meeting of the MAC is scheduled for **Wednesday, April 5, 2006, 6PM.**

7. Adjournment: Motion was made for adjournment and seconded and the meeting was adjourned.